

Message Text

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ORIGIN OPIC-06

INFO OCT-01 NEA-09 ISO-00 EB-07 COME-00 AID-05 TRSE-00 L-02

FRB-03 XMB-02 CIAE-00 INR-07 NSAE-00 /042 R

DRAFTED BY OPIC/GC:LLUCERO

APPROVED BY IFD/OIA:RJSMITH

OPIC/GC:PGILBERT

EB/IFD/OIA:DSTEBBING

NEA/INS:RBMORLEY

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R 061706Z MAY 75

FM SECSTATE WASHDC

TO AMEMBASSY NEW DELHI

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E.O. 11652: N/A

TAGS: EINV, IN XX

SUBJECT: OPIC CONTRACT OF GUARANTY NO. 1396 - MCNALLY
PITTSBURGH MANUFACTURING CORP. (MCNALLY)

REF: STATE 86933

1. MCNALLY HAS INFORMED OPIC THAT IT IS TAKING STEPS TO
CARRY OUT DILUTION OF EQUITY INCLUDING BUT NOT LIMITED TO
THE FOLLOWING:

(A) PURSUANT TO CONSENT ORDER NO. R. 306 CCI/74-2455 DATED
SEPT. 30, 1974 ISSUED BY THE GOI, MCNALLY HAS AUTHORIZED
THE INDIAN SHAREHOLDERS IN MCNALLY BHARAT ("BHARAT") TO
DEPOSIT MCNALLY'S SHARES IN BHARAT WITH NATIONAL &
GRINDLAYS BANK, LTD. WITH INSTRUCTIONS TO THE BANK TO
DIVIDE THE SHARES INTO 10 RUPEE SHARES INSTEAD OF 100
RUPEE SHARES IN ORDER TO MAKE THE SHARES MORE ATTRACTIVE
IN THE MARKET; AND
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(B) BHARAT IS PRESENTLY IN THE PROCESS OF NEGOTIATING A
PUBLIC OFFERING OF NEWLY ISSUED BHARAT SHARES WITH THE
CALCUTTA'S STOCK EXCHANGE.

2. MCNALLY FURTHER INFORMED OPIC THAT THIS MATTER WAS DISCUSSED WITH A SENIOR BHARAT INDIAN OFFICIAL DURING HIS RECENT VISIT TO THE UNITED STATES AND THAT SAID OFFICIAL INDICATED THAT THE PUBLIC OFFERING SHOULD BE COMPLETED WITHIN 60 TO 90 DAYS.

--- 3. OPIC IS PRESENTLY PROCESSING MCNALLY'S INCONVERTIBILITY CLAIM AND EXPECTS TO MAKE PAYMENT TO MCNALLY SOON. OPIC WOULD APPRECIATE EMBASSY'S CONFIRMATION WITH REGARD TO PARAGRAPH 1 ABOVE AND PARAGRAPH 4 REFTEL. OPIC WOULD FURTHER APPRECIATE EMBASSY'S ADVICE AS TO WHETHER MCNALLY SHOULD REASONABLY TAKE ANY OTHER STEP TO ATTEMPT TO CAUSE TRANSFER TO BE MADE.

---4. OPIC WOULD APPRECIATE EMBASSY FURNISHING OPIC WITH INFORMATION RE PRACTICE OF GOI ON REMITTANCE OF DIVIDENDS ON FEBRUARY 15, 1964, THE DATE OF MCNALLY CONTRACT, UNDER LAWS, DECREES, REGULATIONS OR ADMINISTRATIVE DETERMINATIONS IN EFFECT ON FEBRUARY 15, 1964.

---5. EMBASSY'S COMMENTS AND SUGGESTIONS, IF ANY, AS PER PARAGRAPH 6 REFTEL, WOULD BE APPRECIATED. KISSINGER

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Message Attributes

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Decapton Date: 01 JAN 1960
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